

REQUEST FOR PROPOSALS SPECIFICATION NO. 04-108

The City of Lincoln, Nebraska intends to enter into a contract and invites you to submit a sealed proposal for:

THIRD PARTY FINANCING OF 1250 GPM FIRE TRUCK PUMPERS

Sealed proposals will be received by the City of Lincoln, Nebraska on or before 12:00 noon Wednesday, June 2, 2004 in the office of the Purchasing Agent, Suite 200, K Street Complex, Southwest Wing, 440 South 8th Street, Lincoln, Nebraska 68508. Proposals will be publicly opened at the K Street Complex, reading only the names of the firms submitting proposals.

Proposers should take caution if U.S. mail or mail delivery services are used for the submission of proposals. Mailing should be made in sufficient time for proposals to arrive in the Purchasing Division, prior to the time and date specified above.

**SPECIFICATIONS FOR
THIRD PARTY FINANCING OF
1250 GPM FIRE TRUCK PUMPERS**

1. INTRODUCTION

- 1.1 The City of Lincoln Nebraska requests bids from interested Financial Vendors (Bidders) in arranging third party financing for the lease/purchase of 1250 GPM Fire Equipment.
 - 1.1.1 See attached Specification No. 04-107.
- 1.2 It is the intent of the City to enter into an agreement with a bidder using terms and conditions acceptable to both parties and which are the acceptable standards in the industry.
- 1.3 The City's obligation to make lease payments is subject to the annual availability of appropriations.
 - 1.3.1 The City will seek appropriations and use its best effort to obtain such appropriations in subsequent fiscal years.
 - 1.3.2 The city's fiscal year is September 1 through August 31.
- 1.4 The City's underlying general obligation bond rating is:
 - 1.4.1 Moody's Investor Services AAA
 - 1.4.2 Standard and Poor's AAA
- 1.5 Requests for additional information should be directed in writing to Vince M. Mejer, Purchasing Agent, 440 South 8th St. Suite 200, Lincoln, NE 68508 or vmejer@ci.lincoln.ne.us

2. SCOPE

- 2.1 The intent of this specification is to provide bidders with sufficient information to prepare a response to this specification.
- 2.2 All bids shall include, but not limited to, the requirements enumerated herein.

3. AMOUNT TO BE FINANCED

- 3.1 The amount to finance is estimated to be 2 million dollars, repayable in annual payments in arrears.
- 3.2 The City will entertain alternate proposals including quarterly payments only if the option provides a cost reduction to the City.

4. INTEREST RATE

- 4.1 The interest rate shall be fixed for the term of the lease agreement.
- 4.2 Bidder shall furnish the City with appropriate amortization schedule(s) with separate principle, interest and net purchase price at any given payment term.
- 4.3 Interest shall not begin until the City receives funding.
- 4.4 The City desires to have rates for a five (5) year term and a seven (7) year term.

5. FEES AND COST OF FINANCING

- 5.1 All costs and fees (including late fees) associated with any funding proposal shall be set forth in the documents submitted with the bid.

6. FUNDING DATE

- 6.1 The City desires the bidder to fund the financed amount in an escrow account.
- 6.2 The funding shall be on mutually agreed upon date.

7. ANTICIPATED PURCHASE/DISBURSEMENT SCHEDULE

- 7.1 The City anticipates to start taking delivery of the units within one year and final delivery up to 1 ½ years.

8. LEASE TERM

- 8.1 The lease shall be issued over a five (5) or seven (7) year period beginning on approximately June, 2005.
- 8.2 Principle amounts shall be structured in a manner such that total annual debt service costs (principle + interest) shall be approximately equal over the term of the lease.

9. PAYMENT TERMS

- 9.1 The City desires annual payments in the arrears.

10. PREPAYMENTS

- 10.1 The City reserves the right to prepay all or any part of the outstanding principal of the obligation as shown on the amortization schedule at any time and amount.
- 10.2 State on the proposal sheet any prepayment options and all related fees.

11. OWNERSHIP

- 11.1 Legal title to the equipment during the term of the lease shall remain with the City, subject to any security interest in favor of the bidder, for the amount financed.

12. INSURANCE

- 12.1 The equipment being financed shall be self insured by the City.

13. FIRM PRICE BIDS

- 13.1 The finance rate should be firm for acceptance within 45 days after opening of the bids.
 - 13.1.1 If the bid is not firm, bidder must indicate how it will rise or fall and as to what indicator can be used to verify said new rates.
- 13.2 If the bid is accepted, the rate agreed to shall remain unchanged for the duration of the contract.
- 13.3 The City intends that any contract resulting from the use of these specifications will constitute a tax-exempt obligation.
- 13.4 Bids shall be based on such tax-exempt treatment.

14. ASSIGNMENT

- 14.1 Bidder may assign its interest in the agreement resulting from this bid to an affiliate of bidder without the written consent of City providing City is advised of said assignment before such assignment is made.
- 14.2 If the bidder intends to sell or resell the schedules to a non-affiliate, such intent shall be disclosed in the response to the bid.
- 14.3 The City reserves the right to approve or disapprove an assignment to a non-affiliate.

15. GROSS FUND LEASE ESCROW ACCOUNT

- 15.1 The initial deposit to the escrow account will be equal to the amount financed.
- 15.2 During the interim period defined as the time occurring between the funding date and the later of the date all proceeds are distributed to the equipment vendor.
- 15.3 The interest earned on the proceeds deposited into the escrow account will accrue strictly to the benefit of the City.
- 15.4 These earnings are intended to defray the interest expenses accruing on the lease between the funding date and the actual date of distribution to the equipment vendor.

16. NET LEASE

- 16.1 All obligations, costs and responsibilities associated with ownership of the equipment shall be borne by the City, including insurance and maintenance.

17. SUBMISSION OF BIDS

- 17.1 Bidders shall submit one (1) unbound original and two (2) unbound copies of the bid.
- 17.2 The bid shall include the bid sheet, list of exceptions (if any), list of references, amortization schedule, a copy of the proposed contract, i.e. proposed municipal lease-purchase agreement and a copy of the company profile.

18. AWARD

- 18.1 The City reserves the right to accept or reject all or any part of any bid, waive minor technicalities, and to make award to the best value serving the interests of the City.

19. RIGHT TO FINANCE ELSEWHERE

- 19.1 The City reserves the right to refinance the equipment covered by the agreement resulting from this bid and to prepay any remaining amounts due and all security shall be released.

20. LEASING CONTRACT

- 20.1 Bidder must attach a sample of the contract they propose to be used if awarded the bid.